



STATE OF IDAHO

BUREAU OF OCCUPATIONAL LICENSES

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GARY W KOUTNIK
P O BOX 2050
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Dear Mr. Koutnik:

The board has read and discussed your letter and the petition regarding the state and federal requirements for continuing education and the subsequent enforcement of those requirements for Idaho trainees and licensees, and we appreciate you communicating your concerns to the board.

The board has been addressing this issue extensively for several years due to their obligation to ensure that trainees and licensees are complying with their professional responsibilities which include obtaining the mandatory continuing education coursework.

One of the obligations of the board is to verify that trainees and licensees are fulfilling this in a timely manner. As you may recall, in the past license renewals had to be accompanied by the actual education certificates to provide confirmation that the courses were indeed taken. The burden this placed on bureau staff was heavy, and it was decided to change this to an "honor" system where the trainees and licensees were entrusted with the responsibility to take the requisite continuing education and sign affidavits swearing that he/she was knowledgeable of the requirements of their profession and had taken the necessary coursework to be compliant.

To provide perspective on what then occurred, it is important to understand that the Idaho Real Estate Appraisal Board is one of only two boards associated with the Idaho Bureau of Occupational Licensing that is part of an organizational structure that includes federal oversight. The Idaho Real Estate Appraisal Board is overseen by the Appraisal Subcommittee of the Federal Financial Institutions Examinations Council (ASC – www.asc.gov). This subcommittee has the power to subject the state to serious and significant restrictions and revocations if the Idaho Real Estate Appraisal Board cannot provide verification to the subcommittee that the level of minimum level of professionalism and education is being sustained within the state.

When the state changed from a mandatory submittal of education certificates to the "honor" system, it was required by the ASC that the state provide details of their audit process to corroborate the sworn statements that the trainees and licensees made on their renewal applications were accurate and true.

Unfortunately, once this process was undertaken, it became very obvious that the extent of non-compliance was extremely high. The audits were originally performed for a two-year period due to the board's desire to verify that the USPAP update course had also been taken, and to view the continuing education history of trainees and licensees that straddled the change in the law based upon their renewal dates. Since it has now been several years since that change was implemented, the audit process is now undertaken only for the 12-month period prior to the most recent renewal date, along with proof of compliance with the USPAP update requirement.

Due to the very high level of non-compliance with the state, the federal subcommittee placed a requisite upon the board that the audits continue on a quarterly basis until the compliance rates were at acceptable levels for a reasonable period of time, and, at that point, the process would be reviewed and perhaps lengthened. The most recent audit had a 100% compliance rate which reflects a substantial change from earlier in the process.

The federal subcommittee made it very clear to the board that taking no action with regard to failed continuing education audits was absolutely unacceptable and that taking no action would place the state and its trainees/licensees in jeopardy of facing severe repercussions. In addition, the board itself had no desire to ignore a serious situation with regard to non-compliance with the minimal level of continuing education required by state and federal law, as well as the issues of trainees and licensees committing perjury by signing the renewal forms when they were not compliant.

To this end, the board directed the board staff and the attorney general's office to individually review every audit to determine whether it was compliant, and if it was not, the attorney general's office then further researched hundreds of renewals to identify the circumstances behind the non-compliance in order to give the trainee/licensee every opportunity to have all the applicable information considered prior to any decision being made with regard to discipline. Since it is rare for the circumstances of a trainees'/licensees' non-compliance to be identical, the board believes the review process by the attorney general's office was necessary to give each trainee's/licensee's situation the consideration it deserves.

To say that the board has expended enormous resources in terms of the time of the board members, the bureau staff, and the attorney general's office would be an understatement. The care given to this has been extensive and is being constantly reviewed to be as fair as possible since the board has no desire to unduly burden its trainees/licensees but and does expect them to be aware of the requirements of their licensure and to fulfill them in a timely manner. The board expects trainees and licensees to make every effort to sustain, at the least, the minimum levels of professionalism which includes keeping up with changes in their profession and expanding their knowledge base.

Obviously, a higher the level of compliance will result in a lower number of disciplinary actions, freeing board and staff to deal with other important issues that come before it. It will also increase funds available for researching complaints and enforcing the strictures of USPAP.

Trainees and licensees who have not obtained the minimum levels of compliance with the minimum continuing education requirements during a renewal cycle are obligated by law to check "no" on their renewal form and the board will certainly take their individual circumstances into consideration.

On another issue that was raised, the board does understand the concerns of various entities that the one-year cycle may not promote taking the lengthier education offerings; however, it is each trainees'/licensees' responsibility to take the requisite courses that provide maintenance of the highest level of professional standards and education, and the existing requirements are minimums. It is up to each trainee/licensee to determine how their time would be spent most productively in their ongoing efforts to keep up with the standards of the real estate appraisal industry. With the changes in course offerings upcoming in 2008, it is hopeful that the professionals in our state will recognize the benefit of taking the newly-designed and -offered courses, not only to fulfill the minimum level of professional requirements, but also to receive the additional benefits provided by taking new, and perhaps longer, courses than the minimum required.

It is also likely that the sponsors and providers of appraisal courses will realize benefits in terms of increased demand and attendance of trainees and licensees that are taking the courses that they have been neglecting for several years because the board is requiring that they make up their neglected coursework, as well as maintaining acceptable levels in the future.

At the beginning of 2008 major changes will occur in terms of the minimum requirements for licensure. The board is making a concerted effort to ensure that this transition is managed as smoothly as possible for applicants. The board does not think this is an appropriate time to again revise the term of continuing education requirements, especially given the fact there has been a concerted, ongoing effort during 2007 to continue to inform trainees and licensees of the existing continuing education requirements. The most recent audit results indicate our efforts have been successful.

This letter is being forwarded to you and will be posted on the web page in order to provide exposure to as wide an audience as possible. You are encouraged to regularly check the web page for updates with regard to the state appraisal board and the state's licensing requirements. There is a very broad amount of information on the web page, including minutes of each meeting for the last several years. This is where you can find information on new issues under discussion and changes that are occurring. The web page is constantly being upgraded and revised to be as informative as possible, and attention will be paid to the issues that you have raised in your letter and petition, as well as the major changes that will occur with licensing requirements beginning in 2008.

Thank you again for your thoughtful letter and accompanying petition.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Morgan".

Mr. Paul Morgan, Chairman
Idaho Real Estate Appraisal Board

Cc: Gordean Briggs, Briggs & Gillis, P. O. Box 327, Sun Valley, Idaho 83353

An additional which may be of concern to licensees in the state is that the "renewal" date is the date for determining – which may or may not be the expiration date of the license.